



STATE OF WASHINGTON

**LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS'
PLAN 2 RETIREMENT BOARD**

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**REGULAR BOARD MEETING
September 22, 2004**

The Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 Retirement Board met in the Boardroom of the Washington State Investment Board located at 2100 Evergreen Park Drive S.W., Olympia, Washington on September 22, 2004.

Board Members Present:

Kelly Fox, Chair
Jack Simington, Vice Chair
Pat Hepler
Mark Johnston
David Moseley
Senator Linda Evans Parlette
Representative Geoff Simpson
Doug Pendergrass
Doug Cochran
Michael Edwards
Maureen Morris

Staff Present:

Steve Nelsen, Executive Director
Jessica Burkhart, Executive Assistant
Jeralyn Faulhaber, Administrative Services Manager
Tim Valencia, Senior Research Policy Manager

Guests:

Chris Merritt, King County Paramedics

Kelly Fox, Chair, called the meeting of the Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board to order at 9:38 a.m.

1) August 25, 2004 Board Meeting Minutes

It was moved that the August 25, 2004 Board meeting minutes be adopted as presented. Seconded.

MOTION CARRIED UNANIMOUSLY

2) Contribution Rate Adoption for 2005-07

Steve Nelsen, Executive Director presented the Board with a letter from Matthew Smith, State Actuary, which stated the recommended member, employer and state contribution rates for the 2005-07 biennium. Mr. Nelsen also provided the Board with the Final Actuarial Audit Report from Milliman USA.

*It was moved that the 2005-07 contribution rates be adopted as follows:
7.20% for members, 4.32% for employers, and 2.88% for the state.*

MOTION CARRIED UNANIMOUSLY**3) Contribution Rate Stability – Preliminary Report**

Mr. Nelsen presented a Preliminary Report which reviewed the current contribution rates for members, employers and the state. The report not only provided various charts which illustrated the history of member contribution rates, but it also included options for ongoing rate stability.

*It was moved that the “Contribution Rate Stability” topic move forward
to the Final Proposal Stage and be placed on the November Board
meeting agenda. Seconded.*

MOTION CARRIED UNANIMOUSLY**4) Military Service – Preliminary Report**

Tim Valencia, Senior Research Policy Manager, presented a Preliminary Report on the topic of “Military Service Credit”. The report covered issues such as the current provisions, limitations of USERRA, federal benefits, as well as the Select Committee on Pension Policy (SCPP) proposal.

5) King County Medic One – Initial Consideration

Steve Nelsen introduced Chris Merritt, President of the King County Paramedics and provided the Board with a letter from the organization. Mr. Merritt went on to ask the Board to consider drafting legislation that would provide access into LEOFF Plan 2 to 60 King County Paramedics.

*It was moved that the “King County Medic One” topic move forward
and be placed on the October Board meeting agenda for further
consideration. Seconded. Senator Parlette and David Moseley opposed
the motion.*

MOTION CARRIED**6) Duty Related Disability Benefits – Follow-Up Report**

Mr. Nelsen presented a Preliminary Follow-Up Report on pension benefits for LEOFF Plan 2 members who become disabled in the line of duty. The report included three options with cost estimates. The first option would provide a disability retirement benefit equal to the accrued benefit. The second option would provide a disability retirement benefit equal to 70%, and the third option would provide a disability benefit equal to 50% of pay.

It was moved that the “Duty Related Disability” options 1 & 2 move forward to the Final Proposal stage at the December Board meeting. Seconded. Senator Parlette, Maureen Morris, Michael Edwards, and Doug Pendergrass opposed the motion.

MOTION CARRIED

7) Administrative Update

Select Committee on Pension Policy Update

Mr. Nelsen updated the Board on issues discussed at the latest Select Committee on Pension Policy (SCPP) meeting. The SCPP will be holding discussions on LEOFF topics such as Contribution Rate Stability and opt-in/opt-out legislation during their October meeting.

October Meeting Agenda

The Board requested that the Post-LEOFF Employment Preliminary Report Follow-Up and Medic One Initial Consideration Follow-Up be included on the October agenda.

Next Meeting

The next meeting of the LEOFF Plan 2 Retirement Board is scheduled for October 27, 2004 from 9:30 a.m. – 3:00 p.m. at the Washington State Investment Board located at 2100 Evergreen Park Drive S.W., Olympia, Washington 98502.

There being no further business, the meeting adjourned at 1:44 p.m.